



Harambe for president!

A little-known fact outside the US is that in some states ballot papers in the presidential election have an explicit “write-in” option, where voters are invited to name and vote for any alternative to the official candidates.

If you are that way inclined, you may therefore vote for yourself, your mother-in-law, the artist who did your last tattoo, or anyone else who takes your fancy.

In 2016, many US citizens found it difficult to choose between the devil and the deep blue sea, with neither Donald Trump nor Hillary Clinton endearing themselves to a large proportion of the voting public.

This led to many people reportedly casting a vote for Harambe, a 17-year-old silverback gorilla that had been shot and killed when a child fell into its enclosure at an Ohio zoo earlier that year.

Today, the American voter faces what many describe as an equally impossible choice between two septuagenarians.

The one currently in power divides opinion like none of his predecessors and may actively threaten the whole democratic process if he does not achieve his ambitions of re-election.

The other is prone to gaffes, and, at nearly 78, will be a couple of months older if he assumes office than Ronald Reagan (the oldest US president to date) was upon leaving the White House after a full eight years in the hot seat.

Despite his advancing years, there appears to be a growing consensus that Joe Biden is likely to oust Trump come the first week of November.

At the time of writing, Biden holds a lead of nine points over Trump, as reported by RealClearPolitics, a non-partisan political news site and data aggregator.

Perhaps more importantly, betting

odds according to the same organisation suggest that there is nearly a two-thirds probability of a Biden victory.

These odds may seem compelling if you don't want to see Trump serving another term. But perhaps Biden's supporters should not become too overconfident: would you be totally relaxed if the doctor told you that you're suffering from a condition which had “only” a 33% chance of killing you in short order?

It also needs to be borne in mind that polls and betting averages have been far from reliable in recent years.

There is probably no better example of this than the previous US presidential election itself: Clinton was the clear favourite right up until the polling booths closed, and we all know how that ended.

Can Trump defy the odds again? I wouldn't put it past him. No doubt there is a “shy” Republican factor, with many supporters of the Grand Old Party not really liking or supporting Trump as an individual (and therefore not necessarily being picked up in the polls), yet they would never vote for any Democratic candidate either.

Ultimately, the vast majority of these individuals are likely to hold their noses and vote for The Donald once more.

Which of the two candidates will be better for investment markets, though? Traditionally the answer to this question would appear to be relatively obvious: Republican policies are generally more stimulatory and business-friendly than those of the Democrats, who have a preference to regulate and tax more,



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and to use the proceeds to implement more generous social policies.

Despite that, the market seems to have warmed to a prospective Biden presidency, with the S&P 500 once again trading within touching distance of its record high reached just before the world started going into lockdown eight months ago.

As former Goldman Sachs CEO Lloyd Blankfein recently tweeted: “Perhaps folks think their stocks and 401(k)s will do better with higher taxes and increased regulation than with nastiness and scorched earth.”

He may have a point. But there is also another possible explanation, and that is that the identity of the US president may, in fact, not be as important to markets as many seem to think.

Over time, the long-term trend in US economic growth and compounding equity returns have continued pretty much relentlessly under both Republican and Democratic presidencies.

Ultimately, share prices will be driven by corporate success, and the biggest and best companies in the world (most of which are still to be found in the US) will continue to adapt and thrive, regardless of who might be calling the shots in Washington.

So, enjoy the soap opera over the next week or two.

From an investment point of view, however, I would suggest that you shouldn't worry too much about whether the spoils go to Trump or Biden, or Harambe, as the case may be.

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